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GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

FINANCE DEPARTMENT.

AUDIT

AND

APPROPRIATION REPORT

ON

THE ACCOUNTS

FOR

1917-18

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AUDIT AND APPROPRIATION REPORT

ON

THE ACCOUNTS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

FOR THE YEAR

1917-18

(Ended June 1918.)

(NOTE.—Throughout this report the figures given are, unless otherwise indicated, in thousands of rupees omitting 000.)

GENERAL REMARKS.

The system of Departmental Settlement came into force in the year under report. The bject of this settlement is to limit the growth of expenditure to the resources available and lso to distribute the resources among the various departments according to a well consi-ered programme of measures necessary for purposes of progress and advancement in all irections.

2. The essential features of the settlement are the following:—

(1) The whole of the administration is divided into 4 groups of revenue—producing epartments, namely:—

i. The Principal Heads of Revenue.
ii. Surplus Revenues of the Assigned Tract.
iii. Mining Revenue, after deducting the contribution to the Capitalisation Fund and the cost of supervision of mines.
iv. Interest and Productive Works, Revenue Account—net. Interest receipts and net receipts from Railways, Cauvery Power Scheme, Krishnarajasagara Works, Kolar Gold Fields Water Supply and Industrial Works.

nd 7 groups of spending departments, namely:—

i. Direct Demands upon Revenue.
ii. Palace.
iii. Administration.
iv. Protection and Army.
v. Public Works.
vi. Local Self-Government.
vii. Moral and Material Development.

(2) The groups of spending departments are allowed assignments based upon the present normal standard of the annual revenues of the State.

(3) The annual growth of revenue over the standard is allotted in definite proportions to the groups of spending departments.

(4) The groups Civil Administrtion, Protection and Army, Public Works, and Moral and Material Development are allowed to spend the receipts pertaining to them.

(5) Special grants are allowed to the groups of spending departments for meeting actual expenditure which is non-recurring and special.

(6) The unspent balances out of amounts allotted to the groups of spending departments, *vide* (2), (3), and (4) above, do not lapse at the end of the year but are held to their credit for expenditure in future years.

(7) Expenditure, if any, in excess of the year's resources of groups of spending departments is met from their balances of unspent allotments of previous years.

(8) The assignments and the shares of growth of revenue allotted to groups of spending departments are fixed, in the first instance, for three years.

General Review.

3. *General position.*—The totals of Revenue and Expenditure according to the Budget for the year 1917-18 are compared with the actuals in the subjoined statement:—

	Budget Rs.	Actuals Rs.
Revenue	2,95,27	3,15,25
Expenditure allotments spent	3,04,86	2,93,11
Add—unspent allotments	1,06	26,37
Deduct—Expenditure met from balances	*10,80*	*6,02*
	2,95,12	3,13,46
Surplus	15	1,79
Capital Expenditure	80,92	40,81
Debt Heads—Net	75,24	83,80

4. *Budget Prospects.*—The Budget for 1917-18 was framed on the assumption of normal seasonal conditions and of the continuance of the war throughout the year. The yield of the Principal Heads of Revenue was taken at the level justified by previous experience except in the case of Miscellaneous Taxes, which was taken at about 3 lakhs less as the Mohatarfa Revenue was made over to the District Boards. As the arrears due to the end of 1915-16 on account of the surplus revenue of the Assigned Tract had been received in 1916-17, the Budget counted on only one year's probable revenue under this head. Increases were anticipated (1) under Cauvery Power Scheme owing to the growing demand for power and lighting installations and (2) under Sandal Oil Factories on account of the opening of a second factory at Mysore. The expenditure programme provided for the various measures of reorganisation and development in the different departments and also for the additional expenditure on mobilisation and field service, necessitated by the war. The programme of capital works provided for all the works in progress and also for the Iron works expected to be started in the year under report. The estimate of Debt Head transactions anticipated a net inflow of 75,24 chiefly from realisations of investments and from contributions to reserves.

5. *Comparison of Budget Estimates with actuals of 1917-18.*—The chief variations between the Budget estimates and actuals will first be noticed and the differences explained in detail in the tabular part of this report in para 16 *infra*.

6. The actual result of the year's Revenue account is a surplus of 1,79 against 15 anticipated in the Budget. This improvement of 1,64 is the net result of an increase of 19,98 under Revenue and of an excess of 18,34 under Expenditure.

7. The revenue heads under which appreciable improvements appear are Sandal Oil Factory Receipts (11,02) Railways (4,05), Excise (2,64) and Land Revenue (1,62). The large increase under Sandal Oil Factories is the result of increased output and of the altered procedure of showing as working expenses only the cost of production and marketing of oil actually sold, the charges relating to the stock on hand being brought under an advance account. Under Railways, the Budget provided for a net receipt of 8,77 for the lines worked by the Madras and Southern Mahratta Railway Company. Owing to heavy traffic on the

Mysore-Harihar line and to the decline in working expenses as a result of curtailed services and of reduced outlay on repairs and renewals, the actual realisations aggregated 13,41. The growth under Excise revenue was larger than anticipated at budget time. The collection of arrears explains the increase under Land Revenue.

8. Taking only the expenditure represented by the allotments actually spent, there was a decrease of 11,75 compared with the Budget. The heads which contributed appreciably to this reduction are Land Revenue, Capitalisation Fund, Police, Irrigation charged to Revenue, Education, Grants for Public Improvements and Army. The falling off under the above heads other than Capitalisation Fund and Irrigation charged to Revenue was generally due to the non-utilisation of the special grants for various purposes included in the Budget of these heads. The reduction under Capitalisation Fund was mainly on account of the reduction in Mining Revenue. The decrease under Irrigation charged to Revenue was due to savings on the grants for original works.

9. The total expenditure including the unspent allotments was 18,34 more than the Budget due to the improvement in revenue over the Budget, distributed among the departments according to the Financial Settlement.

10. The actual capital outlay was about half of that anticipated. Practically the whole grant for Iron Works lapsed while there were substantial savings on the grants for Railways and Tramways, Krishnarajasagara works and Cauvery Power Scheme works.

11. There was an improvement of 8,56 under Debt Heads and this was the net result of improvements under Deposits and Reserve and Local Funds and of larger outgoings on account of industrial advances including working advances to the Sandal Oil Factories.

Changes in Classification.

12. It was decided to show Railway guaranteed interest as an item to be deducted from gross receipts and the separate major head 36 Guaranteed Interest under the Group, Railway Revenue Expenditure was accordingly abolished on the expenditure side.

13. In view of the expansion of the Department of Industries and Commerce the minor and detailed heads of 28 Industries and Commerce were amplified for exhibition of all the activities of the department and for bringing out the distinction between the capital and revenue character of the transactions of the concerns worked by the department.

14. Construction of the Tadasa-Hebbe Tramway and the Chickjajur-Chitaldrug Railway having been started, the necessary new heads were opened under 37 Railways and Tramways.

15. It was the practice till 1916-17 to show as part of the charges against Mining Revenue all indirect charges on special Government institutions maintained at the Kolar Gold Fields such as courts, schools, hospitals, etc.; but in the budget estimates of 1917-18 all such charges were shown under the respective major heads. The old practice has been restored to show charges, incurred directly or indirectly, on account of the mining activities at the Kolar Gold Fields and of the influx of population consequent thereon, under the head "Charges against Mining Revenue."

16. In the following tabular statements, the transactions of the several revenue producing and spending departments according to the scheme of Financial Settlement are exhibited in detail. Large and important variations in the actuals of the year under report as compared with the budget for the year and the previous year's actuals are explained in the Remarks column against the heads concerned.

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Group 1—Principal Heads of Revenue.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
I. Land Revenue.				
1. Assessment on lands ...	99,36	97,50	97,66	Decrease in actuals due to reduced arrear outstandings.
2. Quit-rent of Minor Inam Villages including Kayamgutta.	5,60	5,19	5,31	
3. Miscellaneous ...	5,39	4,62	6,04	
4. *Deduct*—(i) Refunds ...	*1,39*	*1,48*	*1,53*	
(ii) Malnad Land Inam payments.	*13*	*10*	*13*	
Total ...	108,83	105,73	107,35	
II. Forest.				
1. Sandalwood ...	28,91	30,00	28,08	A sum of about 2½ lakhs due from a purchaser was not received during the year.
2. Timber and other Produce removed by Government Agency.	7,04	5,85	6,89	Budget expected supply of sleepers to State Railway Construction Department to be less.
3. Timber and other Produce removed by Private Agency.	8,74	6,40	8,85	Increase in the realisations from Forest-minor produce.
4. Miscellaneous ...	29	31	61	
5. *Deduct*—Refunds ...	*1*	*3*	...	
Total ...	44,97	42,53	44,43	
III. Excise.				
1. Arrack ...	27,33	28,23	28,38	
2. Toddy ...	28,61	28,93	30,57	Increase in number of trees tapped and increased competition at sale of shops.
3. Ganja and Majum ...	2,31	2,14	2,55	
4. Opium ...	72	60	72	
5. Other Receipts ...	87	74	94	
6. *Deduct*—Refunds and Assignments ...	*62*	*1,02*	*90*	
Total ...	59,22	59,62	62,26	
IV. Assessed Taxes.				
1. Mohatarfa in rural tracts ...	1,81	...	...	These items of revenue were assigned to District Boards from 1917-18.
2. Assessment on vacant sites ...	1,02	...	...	
3. Excise duty on cotton manufactures ...	20	20	35	Increased output of cotton goods.
4. *Deduct*—Refunds ...	...	...	...	
Total ...	3,03	20	35	
V. Stamps.				
1. General Stamps ...	5,02	5,20	5,34	
2. Court-Fee Stamps ...	6,15	6,30	6,60	
3. Stamped papers for copies ...	44	45	47	
4. Plain paper for Court purposes ...	8	8	9	
5. Duty on impressing unstamped and insufficiently stamped document.	11	11	15	
6. Fines and penalties and miscellaneous ...	16	15	18	
7. *Deduct*—Refunds ...	*46*	*44*	*48*	
Total ...	11,50	11,85	12,35	
VI. Registration.				
1. Registration and other fees ...	2,27	2,25	2,38	
2. Fees for the Registration of Companies ...	1	1	1	
3. *Deduct*—Refunds ...	*1*	*1*	*1*	
Total ...	2,27	2,25	2,38	
Total Group I. Principal Heads of Revenue ...	229,82	222,18	229,12	

18. Group 2—Surplus Revenue of the Bangalore Assigned Tract.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Assigned Tract Revenue	10,02	1,50	...	Actuals of 1916-17 represent arrears to end of 1915-16 received during that year. In 1917-18 no payment was received.

19. Group 3—Mining Revenue—Net.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
VIII. MINING REVENUE.	Rs.	Rs.	Rs.	
1. Royalty	17,98	17,58	16,32	Decrease in the tonnage of ore milled due to delay in supplies, uncertainty of transport by sea and shortage of labour.
2. Rent on prospecting lands	5	7	23	
3. *Deduct*—Refunds	*42*	*15*	*31*	
Total ...	17,61	17,50	16,24	
Deduct—CHARGES AGAINST MINING REVENUE				
6. Capitalization Fund	9,27	10,17	8,72	
7. Supervision of Mines and other charges—				
Supervision of mines	51	55	48	
Other charges—				
Courts of Law (K. G. F.) ...	26	27	23	
Police do	73	74	70	
Medical do	26	25	27	
Education do	2	3	3	
	1,78	1,84	1,71	
Total deductions ...	*11,05*	*12,01*	*10,43*	
Total Group III Mining Revenue (Net) ...	6,56	5,49	5,81	

20. Group 4.—Interest and Productive Works Revenue Account—Net.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
IX. INTEREST.	Rs.	Rs.	Rs.	
1. Interest on loans	92	78	91	
2. Interest on arrears of revenue ...	50	36	45	
3. Interest on investments	670	11,71	11,97	Excess over previous actuals mainly due to temporary investments in Treasury bills and short term deposits with banks of the floating cash balances in excess of actual requirements during each month.
4. Interest on capital of Sandal Oil Factories	...	...	25	
Total ...	8,12	12,85	13,58	
Carried over ...	8,12	12,85	13,58	

Group 4.—Interest and Productive Works Revenue Account—Net.—*contd.*

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Brought forward ...	8,12	12,85	13,58	
Deduct—Charges.				
IX. INTEREST ON DEBT AND OTHER OBLIGATIONS.				
Interest on debt	*1,21*	*97*	*93*	
Interest on other obligations...	*5,31*	*6,89*	*6,82*	
Total ...	6,52	7,86	7,75	
Interest (Net) ...	1,60	4,99	5,83	
XXIV. RAILWAYS.				
Gross Receipts	43,24	44,09	46,54	Budget did not count on any increase as it was thought that the enhancement of fares would arrest growth of revenue.
Deduct—Working Expenses... ...	*23,50*	*25,32*	*23,56*	Reduction of outlay on repairs and renewals for want of materials on company-worked lines.
,, Surplus profits	*90*	*89*	*1,05*	
,, Guaranteed Interest ...	*7,61*	*7,65*	*7,65*	
Net Receipts ...	11,23	10,23	14,28	
Deduct—35. Miscellaneous Railway Expenditure	*1,71*	*66*	*1,43*	
Railways (Net) ...	9,52	9,57	12,85	
XXV. KRISHNARAJA SAGARA WORKS.				
Gross Receipts	3,61	4,47	4,33	This represents share of Cauvery Power revenue transferred to this head on account of water-supply guaranteed by these works.
Deduct—Working Expenses... ...	...	...	*60*	
Net Receipts ...	3,61	4,47	3,73	
XXVI. CAUVERY POWER SCHEME.				
NET REVENUE ACCOUNT.				
Gross Receipts	19,60	22,83	22,83	Excess in actuals due to additional power and lighting installations.
Deduct—Working Expenses ...	*3,45*	*4,83*	*4,99*	
,, Depreciation charges ...	*3,83*	*3,67*	*3,77*	
Net Receipts ...	12,32	14,33	14,07	
XXVII. SANDAL OIL FACTORY.				
(1) MYSORE FACTORY.				
Gross Receipts		18,50	7,70	Decrease in the production anticipated in the Budget and delay in realising value of oil consigned to London.
Deduct—Working expenses	*44*	*16,56*	*3,09*	Amount charged as working expenses is only in respect of oil sold during the year that relating to unsold oil being charged to an advance head. Budget provided for the entire charge.
,, Depreciation ...	...	*30*	...	
,, Interest	...	...	*16*	
Net Receipts ...	—44	1,62	4,45	
Carried over ...	—44	1,62	4,45	

Group 4.—Interest and Productive Works Revenue Account—Net.—*concld.*

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Brought forward ..	—44	1,62	4,45	
(2) BANGALORE FACTORY.				
1. Gross Receipts	7,64	15,00	20,08	Includes value of oil produced in previous year and sold in the year under report.
2. *Deduct*—Working expenses	*9,56*	*12,30*	*8,91*	*Vide* remarks against (1) 2 above.
3. ,, Depreciation	*34*	*10*	*28*	
4. ,, Interest	...	...	*10*	
Net Receipts ...	—2,26	2,60	10,79	
Total ...	—2,70	4,22	15,24	
KOLAR GOLD FIELDS WATER SUPPLY, NET RECEIPTS.				
1. Gross Receipts	1,76	1,80	1,75	
2. *Deduct*—Working expenses	*1,23*	*1,05*	*1,52*	Rise in cost of fuel an other articles.
Total ...	53	75	23	
Total Group IV. Interest and Productive Works—Revenue Account—Net ..	24,88	38,33	51,95	

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Group 1.—Direct Demands on Revenue.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Resources—				
Opening Balance	...	...	...	
Assignment	...	36,90	36,90	
Growth of Revenue	...	...	2,90	
Special Grant—				
Forest—				
Khedda operations	...	20	...	
Saw mills and Traction Engines ...	...	20	...	
Inspector-General's visit	...	2	...	
Stamps—				
Cost of water-marked paper ...	...	13	...	
Total Special Grant ...	...	55	...	
Total Resources ...	...	37,45	39,80	
Expenditure—				
1. Land Revenue—				
1. Revenue Commissioner ...	58	58	54	
2. Charges of District Administration ...	9,85	10,75	9,96	Savings on the lump grant for re-organisation.
3. Remuneration to Shanbhogs and Patels	8,23	8,00	8,19	Arrear potgi bills.
4. Revenue Survey and Settlement Department	1,42	1,82	1,69	Savings on the lump provision for establishment.
5. Inam Department	3	4	3	
Total ...	20,11	21,19	20,41	
Carried over ..	20,11	21,19	20,41	

Group 1.—Direct Demands on Revenue—*concld.*

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Brought forward ...	20,11	21,19	20,41	
2. Forest—				
1. Conservancy and works ...	5,49	5,99	5,95	Excess over previous actuals due to Khedda operations and Forest industries.
2. Establishment	3,89	4,40	4,42	Do re-organization of the Department.
3. Forest School	...	18	14	
4. Game Preserves Staff	11	11	11	
Total ...	9,49	10,68	10,62	
3. Excise—				
1. Superintendence ...	40	50	45	
2. District Executive Establishment ...	3,02	3,09	3,04	
3. Distillery Establishment ...	1	3	7	
Total ...	3,43	3,62	3,56	
4. Stamps—				
1. Superintendence	35	39	41	
2. Stamp Manufactory	5	6	5	
3. Discount on sale of plain paper for court purposes, stamp papers and labels	29	31	31	
Total ...	69	76	77	
5. Registration—				
1. Superintendence	9	9	9	
2. District charges	87	1,00	97	Excess over previous actuals due to 3 new Sub-Registry Offices and to the revision of the staff of Special Sub-Registrars and their establishment.
Total ...	96	1,09	1,06	
Total Expenditure ...	34,68	37,34	36,42	
Closing Balance ...	...	11	3,38	

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Group 2.—Palace.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	
Resources—				
Opening Balance	...	...	...	
Assignments—				
Palace	...	23,50	23,50	
Staff and household of H. H. the Maharaja ...	...	1,36	1,36	
Public Works	...	1,00	1,00	
Palace Military	...	1,14	1,14	
Total ...	...	27,00	27,00	
Growth of Revenue	...	...	82	
Total Resources ...	...	27,00	27,82	
Expenditure—				
Palace Civil list	20,00	20,00	20,00	
Pensions to the Ruling Family ...	3,50	3,50	3,50	
Staff and Household of H. H. the Maharaja	1,13	1,23	1,86	Increase in Palace lighting charges (22) tour charges (31) and Saloons (11).
Public Works	2,62	45	98	
Palace Military	1,14	1,14	1,14	
Total Expenditure ...	28,39	26,32	27,48	
Closing Balance ...	...	68	34	

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Resources—				
Opening Balance ...	...	...	...	
Assignment ...	...	26,16	26,16	
Growth of Revenue ...	...	...	1,15	
Departmental Receipts—				
X. Scientific and Miscellaneous Departments.				
1. Geological Department ...	6	3	5	
2. Examination Fees ...	17	11	11	
3. Miscellaneous ...	...	...	1	
4. *Deduct*—Refunds ...	...	...	*1*	
Total ...	23	14	16	
XI. Pensions and Allowances.				
1. Contributions from Employees of Municipalities.	6	5	3	
2. Contributions from Employees of District Boards.	8	8	9	
3. Miscellaneous Contributions ...	3	2	7	
Total ...	17	15	19	
XII. Stationery and Printing.				
1. Stationery Receipts ...	6	8	15	Excess under heads 1 and 3 is due to rise in prices and to the increased activities of the departments which pay for stationery articles supplied to them.
2. Gazette and other publications ...	5	4	4	
3. Other Press Receipts ...	9	7	18	
4. *Deduct*—Refunds ...	...	...	...	
Total ...	20	19	37	
XIII. Miscellaneous.				
1. Unclaimed Deposits ...	1,04	50	65	Many items of the nature of revenue creditable to final heads used to encumber the deposit registers in previous years and these were removed from the list with the concurrence of Depts.
2. Sale of lands, houses, etc. ...	(*a*) 1,05	33	52	(*a*) Larger proceeds from sale of sites in Basavangudi extension.
3. Acreage Contributions ...	29	8	57	
4. Salt Receipts ...	6	4	8	
5. Miscellaneous fees, fines and forfeitures ...	2	3	3	
6. Miscellaneous ...	37	24	49	
7. *Deduct*—Refunds ...	*26*	*2*	(*b*) *70*	(*b*) Repayment of compensation for the acquisition of the Kitchetty Chattram which had lapsed to Government in previous year.
Total	2,57	1,20	1,64	
Total Departmental Receipts	3,17	1,68	2,36	
Special Grant—				
General Administration—				
Purchase of Tents ...	...	10	...	
Purchase of Horses ...	...	3	...	
Collapsible gates to Government Houses	...	2	...	
Muzrai—				
Printing quit-rent registers ...	...	6	...	
Stationery and Printing—				
Kannada Punches and Matrices ...	...	25	...	
Machinery for the Press ...	...	24	...	
Types for Budget Notes ...	...	5	...	
Total	...	75	...	
Total Resources ...	3,17	28,59	29,67	

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Group 3.—Administration—*concld.*

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Expenditure—				
12. General Administration—				
1. Dewan and Members of Council ...	1,40	1,44	1,37	Less outlay on upkeep of motor cars and carriages.
2. Legislative Council and Representative Assembly	3	3	2	
3. Civil Secretariats	3,71	4,12	4,21	Increase in gazetted and non-gazetted staff and in contingencies.
4. Comptroller's Office	1,72	1,77	1,67	
5. Reception and Entertainment of Guests	1,56	1,67	2,02	
6. Durbar presents	6	9	9	
Total ...	8,48	9,12	9,38	
13. Mazrai Institutions—				
1. Superintendence	15	24	21	
2. Endowments and charitable allowances	3,28	3,30	3,30	
3. Construction and repairs ...	7	10	9	
Total ...	3,50	3,64	3,60	
14. Scientific and Miscellaneous Departments—				
1. Geological Department	73	79	75	
2. Meteorological Department ...	13	14	13	
3. Archæological Department ...	24	27	25	
4. Museum	3	4	3	
5. Census	...	...	...	
6. Ethnographical Survey ...	2	3	1	
7. Examinations	7	19	20	Excess in actuals due to Civil Service Examination charges.
Total ...	1,22	1,46	1,37	
15. Pensions and Allowances—				
1. Political Pensions and allowances ...	85	84	78	
2. Superannuation and Retired Allowances	7,84	7,69	7,56	
3. Compassionate Allowances ...	5	6	8	
4. Gratuities	6	6	8	
Total ...	8,80	8,65	8,50	
16. Stationery and Printing—				
1. Stationery Depot	2,21	3,00	3,00	High prices of articles account for excess in actuals.
2. Printing and Gazette Office ...	1,39	1,89	1,55	Lapse on the grants for Machines.
Total ...	3,60	4,89	4,55	
17. Miscellaneous—				
1. Remittance Charges	18	24	42	Special remittances from London on higher rates of exchange.
2. Books and Periodicals	7	7	4	
3. Miscellaneous Establishments ...	3	6	6	
4. Miscellaneous	52	43	65	Includes contribution of 20 to the "Our Day" fund.
Total ...	80	80	1,17	
Total Expenditure ...	26,40	28,56	28,57	
Closing Balance ...	...	3	1,10	

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Group 4.—Protection and Army.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Resources—				
Opening Balance	...	...	...	
Assignment	...	41,24	41,24	
Growth of Revenue	...	...	2,47	
Departmental Receipts—				
XIV. Courts of Law—				
1. Sale proceeds of unclaimed and escheated property	3	4	4	
2. Recoveries on account of pauper suits	5	4	2	
3. Fees, Fines and Forfeitures ...	45	53	42	
4. Miscellaneous ...	4	4	6	
5. *Deduct*—Refunds	*15*	*17*	*11*	
Total ...	42	48	43	
XV. Jails—				
1. Hire of convicts	1	1	3	
2. Proceeds of Jail Gardens and other receipts	8	1	7	
3. *Deduct*—Refunds	...	...	...	
Total ...	9	2	10	
XVI. Police—				
1. Police supplied to Private Persons ...	4	2	3	
2. Fines and Forfeitures	...	...	...	
3. License Fees	2	2	1	
4. Miscellaneous	1	2	2	
5. *Deduct*—Refunds	...	...	...	
Total ...	7	6	6	
XVII. Medical—				
1. Hospital Receipts	12	14	13	
2. Value of Medicine sold	6	3	4	
3. Lunatic Asylum Receipts ...	1	1	1	
4. Miscellaneous	3	2	48	Includes contribution paid by local bodies classified under this head instead of being taken in reduction of expenditure.
5. *Deduct*—Refunds	...	...	...	
Total ...	22	20	66	
XVIII. Sanitation and Vaccination—				
1. Sale of Lanoline Vaccination Lymph	2	2	1	
2. Sale of Vaccinated Calves ...	1	2	2	
3. Plague Receipts	1	...	1	
4. School of Hygiene	1	1	1	
5. *Deduct*—Refunds	...	...	...	
Total ...	5	5	5	
XXIII. Army—				
1. Transport Receipts ...	18	17	15	
2. Stores Department	2	3	...	
3. Hessarghatta and Nademavinapura Farms	12	20	10	
4. Military Works	5	5	8	
Total	37	45	33	
Total Departmental Receipts ...	1,22	1,26	1,63	

Group 4.—Protection and Army—*contd.*

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Special grant—				
Army—				
I. S. Regiment Field Service charges ...	...	2,00	...	
I. S. T. Corps Mobilisation charges ...	...	1,00	...	
Total Special Grant ...	...	3,00	...	
Total Resources ...	1,22	45,50	45,34	
EXPENDITURE.				
18. COURTS OF LAW.				
1. Chief Court	1,17	1,25	1,23	
2. Law Officers	16	16	18	
3. District and Civil Courts	3,37	3,41	3,46	Additional establishment in Munsiff's courts permanent and temporary.
4. Criminal Courts	4,26	4,64	4,34	
	8,96	9,46	9,21	
Deduct—Charges transferred to 7 supervision of Mines and other charges—				
(1) K. G. F. Munsiff's Court and Process Serving Establishment.	*13*	*14*	*13*	
(2) K. G. F. Magistrate's Court ...	*13*	*13*	*10*	
Total ...	8,70	9,19	8,98	
19. JAILS.				
1. Superintendence	3	3	3	
2. Jails and Lock-ups	1,00	1,12	99	Decrease in number of convicts and hence savings on the grant for rations and dietary charges.
3. Jail Manufactures (Net)	6	—1	1	
Total ...	1,09	1,14	1,03	
20. POLICE.				
1. Superintendence	43	43	43	
2. Criminal Investigation Department ...	6	5	6	
3. Police Force	9,32	10,69	9,39	
4. Police Training School	14	29	17	
5. Kolar Gold Fields Police	74	74	74	
6. Railway Police	1	8	18	Excess partly due to additional force employed and partly to the fact that recoveries from Railway Companies were not completely made in the year.
	10,70	12,28	10,97	
Deduct—Charges under 5 (i) Ordinary Police transferred to 7 Supervision of Mines and other charges.	*73*	*74*	*70*	
Total ...	9,97	11,54	10,27	The grant for the reorganisation of the Police Department was not utilised. This chiefly explains the lapse on the budget.
21. MEDICAL.				
1. Superintendence	26	27	28	
2. Hospitals and Dispensaries ...	4,43	4,72	4,84	
3. Medical Stores	96	1,21	1,23	
4. Lunatic Asylum	24	25	21	
5. Medical School	...	5	8	
6. Ayurvedic College	2	5	3	
	5,91	6,55	6,67	
Carried over ...	5,91	6,55	6,67	

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Group 4—Protection and Army—*concld.*

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Brought Forward ...	5,91	6,55	6,67	
Deduct—K. G. F. charges transferred to 7 supervision of Mines and other charges—				
(1) K. G. F. Civil Hospital ...	*15*	*16*	*16*	
(2) Robertsonpet Maternity Hospital	*11*	*10*	*10*	
Total ...	5,65	6,29	6,41	
22. SANITATION AND VACCINATION.				
1. Sanitary Commissioner	6	21	21	
2. Public Health Institute	22	12	9	Staff reduced.
3. Vaccine Institute	12	15	14	
4. District charges	44	50	46	
5. School of Hygiene	2	1	1	
6. Plague charges	29	12	36	Share of charges of Bangalore and Mysore municipalities of previous years adjusted.
Total ...	1,15	1,11	1,27	
31. ARMY.				
1. Headquarters	73	87	68	
2. Imperial Service Regiment*	4,85	5,46	4,59	*Savings on salaries and establishment of Commissioned and Non-Commissioned officers in arrears and lapse of grant for free kits.
3. Imperial Service Transport Corps† ...	3,14	3,74	2,90	†Savings on grant for clothing, feed of ponies and bullocks, purchase of bulls and mobilisation equipment.
4. Mysore Horse†	1,63	1,68	1,13	
5. Barr or Native Infantry‡	2,47	2,64	2,31	‡Savings on salaries and establishments and on the grants for some special charges.
6. Grass Farms ...	13	17	14	
7. Military Stores ...	7	7	7	
8. Superannuation and Retired Allowances...	87	94	95	
9. Military works	49	61	54	
10. Recruitment	...	...	65	
Total ...	14,38	16,18	13,96	
Total Expenditure ...	40,94	45,45	41,92	
Closing Balance ...	...	5	3,42	

25.

Group 5—Subsidy to British Government.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Subsidy	35,00	35,00	35,00	

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Group 6—Public Works.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Resources—				
Opening Balance				
Assignment		27,80	27,80	
Growth of Revenue			2,14	
Carried over ...		27,80	29,94	

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Group 6—Public Works—*concld.*

	Accounts 1916-17	Budgent 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Brought forward ...	...	27,80	29,94	
Departmental Receipts—				
XIX. CIVIL WORKS.				
1. Tolls on Bridges and Roads ...	34	37	34	
2. Staging Bungalows fees	13	12	13	
3. Rents of Buildings	38	36	34	
4. Sales of Buildings	14	32	62	
5. Sales of Tools and Plant ...	2	2	5	
6. Sales of Produce	1	2	6	
7. Sales of old materials	3	4	5	
8. Tramway receipts	3	2	21	
9. Fines, Refunds and Miscellaneous ...	14	10	4	
10. *Deduct*—Refunds	..	..	...	
Total ...	1,22	1,37	1,54	
Special grant	..	..	..	
Total Resources ..	1,22	29,17	31,48	
Expenditure—				
23. Irrigation works charged to Revenue.				
In charge of Public Works Officers—				
1. Original Works—Major ..	2,35	3,25	(a)2,82	(a) Scarcity of labour, slackness or failure of contractors, difficulty of obtaining materials owing to rise in prices or want of transport facilities, prevalence of epidemics, absence of water in tanks and delay in recovery of promised contribution account for the lapses under this major head.
2. Original Works—Minor ...	21	40	30	
3. Repairs	27	33	26	
4. Establishment (Transferred from Civil Works)	55	88	76	
5. Tools and Plant (Transferred from Civil Works)	3	13	1	
6. Suspense	2	..	..	
In charge of Civil Officers—				
7. Repairs	76	2,50	1,14	
8. Establishment	1,04	1,04	1,01	
9. Tools and Plant	1	3	1	
10. Suspense	—1	..	2	
	5,23	8,56	6,33	
Grant in-aid to Irrigation Cess Funds—				
11. Establishment on account of Irrigation Cess Fund works	31	30	33	
12. Tools and Plant on account of Irrigation Cess Fund works	1	1	1	
	32	31	34	
Total ...	5,55	8,87	6,67	
24. Civil works—				
In charge of Public Works Officers—				
1. Original Works	7,50	7,87	8,87	
2. Repairs	8,12	7,00	7,92	
3. Establishment	3,96	4,04	4,41	
4. Tools and Plant	55	48	20	
5. Stock and Suspense	40	20	—37	
	20,53	19,59	21,03	
In charge of Civil Officers—				
6. Original Works	2	1	1	
7. Repairs	17	19	18	
8. Miscellaneous Establishment ..	35	46	37	
	54	66	56	
Total ..	21,07	20,25	21,59	
Total Expenditure ..	26,62	29,12	28,26	
Closing balance ..	..	5	3,22	

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27. **Group 7.—Moral and Material Development.**

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
Resources—	Rs.	Rs.	Rs.	
Opening Balance	...	...	...	
Assignment	...	41,17	41,17	
Growth of revenue	...	...	8,23	
Departmental Receipts—				
XX. Education—				
1. School Fees	1,57	1,73	1,77	
2. Contributions by the people towards Anglo-Vernacular and Sanskrit Schools in Rural Tracts	15	11	23	
3. S. S. L. C. Examination Fees ...	9	12	13	
4. Public Libraries	5	4	8	
5. Miscellaneous	6	1	21	
6. *Deduct*—Refunds	...	..	1	
Total ...	1,92	2,01	2,41	
XXI. Agriculture—				
1. Government Gardens	9	6	10	
2. Experimental Fruit Cultivation ...	1	2	1	
3. Veterinary Receipts	1	1	1	
4. Amrut Mahal Receipts	39	60	46	Fall in sale proceeds of cattle and assessment on kavals as number of cattle sold was smaller.
5. Stud Farm, Kunigal	35	18	12	Decrease in sale proceeds of foals, unserviceable stallions and foals.
6. Public Exhibitions and Fairs ...	5	4	3	
Total ...	90	91	73	
XXII. Industries and Commerce—				
1. Fees for Registration of Companies ...	...	..	...	
2. Industrial Depot	4	..	1	
3. Miscellaneous Receipts	3	1	9	
Total ...	7	1	10	
Total Departmental Receipts ...	2,89	2,93	3,24	
Special Grant—				
Industries and Commerce Non-recurring charges	...	1,00	...	
Total Resources ...	...	45,10	52,64	
EXPENDITURE.				
25. Economic Conference—				
1. General Conference	1,24	1,59	1,47	Major portion of the grant for experimental work lapsed. Also savings on the grant for Economic Journal.
2. Industries and Commerce Committee	40	43	37	
3. Agricultural Committee	24	48	31	Lapse on grants for fodder and fuel plantations and for expert opinion.
4. Education Committee	23	18	21	
Total ...	2,11	2,68	2,36	

Group 7—Moral and Material Development—*concld.*

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Education—				
1. Mysore University	7,99	5,00	5,00	Actuals for 1916-17 include large grants for buildings.
2. Supervision	2,10	2,36	2,49	Larger outlay on tours of Inspection staff.
3. Sanskrit Education	27	57	33	Lumpsum grant not fully utilized.
4. Secondary Education	1,93	2,46	2,08	Savings on establishment and on lump grants.
5. Primary Education	7,28	11,51	9,89	Lapse on lump grants and grants-in-aid.
6. Training Institutions	87	1,35	99	Equipment and scholarships grants not fully utilised.
7. Technical Education	94	2,57	1,88	Do do
8. Female Education	2,18	2,50	2,40	
9. Special Communities Education ...	84	1,82	1,81	
0. Libraries	35	73	45	Major part of grant for District and Taluk libraries lapsed.
1. Special scholarships	55	78	45	
2. Miscellaneous	77	1,29	1,05	Sale proceeds of books more than anticipated in the budget.
Lump addition	...	42	..	
	26,07	33,36	28,82	
Deduct—Kolar Gold Fields Vernacular school charges transferred to 7. Supervision of Mines and other charges ...	*3*	*3*	*3*	
Total ..	26,04	33,33	28,79	
Agriculture—				
1. Agricultural Department ..	1,81	2,15	1,95	Lapse of the entire grant for revision of establishment and savings on the salaries of scientific Assistants.
2. Botanical and other Public Gardens..	64	73	59	Savings on the grant for improvement of the Lal-Bagh.
3. Experimental Fruit Cultivation ...	5	7	4	
4. Veterinary charges ...	1,12	1,31	1,10	Savings on the salary of Amrut Mahal Superintendent and on the grants for feed and keep of live stock in the Kunigal Stud Farm,
5. Public Exhibitions and Fairs ...	11	15	14	
6. Sericulture ...	36	50	41	Provision for expansion not fully utilised.
Total ...	4,09	4,91	4,23	
Industries and Commerce—				
1. Direction	86	94	99	Variations in the actuals as compared with the budget due to change of classification introduced during the year. The budget included lumpsum allotment for some items shewn separately in the accounts.
2. Minor Industries Capital Account ...	...	6	86	
3. Minor Industries Revenue Account ...	1	13	65	
4. Demonstration and Experimental work.	30	1,94	42	
5. Contributions and Miscellaneous ...	10	10	9	
Total ...	1,27	3,17	3,01	
Co-operative Societies	80	94	85	Savings on salaries and establishment.
Total Expenditure ...	34,31	45,03	39,24	
Closing Balance ...	...	7	13,40	

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28. Group 8—Local Self-Government, i.e., Grants for Public Improvements.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Resources—				
Opening Balance	...	...	...	
Assignment ...	...	10,25	10,25	
Special grant—				
Grants for Sanitary Improvements ...	...	1,50	...	
Total Resources ...	...	11,75	10,25	
Expenditure—				
30. Grants for Public Improvements—				
1. Bangalore City Improvement ...	15	2,00	2,06	
2. Improvement of water-supply in towns.	21	18	...	Grant not utilised.
3. Town planning operations ...	...	25	6	Grant not fully utilised.
4. Mysore City Improvement Fund ...	4,25	3,25	3,58	
5. Village Improvements ...	44	1,50	44	Grants to the village improvement fund out of this allotment depend on the contribution offered by the people.
6. Drinking water wells in villages ...	1,70	1,50	1,11	
7. Malnad Improvement ...	1,28	1,50	1,49	Grants from this allotment to local bodies depend on the amount of work executed by them.
8. Sanitary Improvements ...	...	1,50	...	Provision not utilised.
Total Expenditure ...	8,03	11,68	8,74	
Closing Balance ...	...	7	1,51	

29. Group 9—Reserves.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
1. Reserve for Sinking Fund	3,33	3,33	3,34	The only items of a fluctuating character in this Group are 5 and 6. Item 6 represents the loss on account of interest on new productive works which have not yet begun to earn the revenue expected from them. This loss is met out of the reserve for interest on capital expenditure (*vide* head 2); such loss has been estimated at 4,00 in the Financial Settlement. If the actual loss in any year exceeds the standard of 4 lakhs taken in the settlement scheme, such excess affords additional relief to the expenditure programme and the amount of this relief is added to the reserve for non-recurring expenditure in view of the large demands on that reserve.
2. Reserve for interest on capital expenditure.	9,00	9,00	9,00	
3. Reserve for Famine Relief and Insurance.	5,00	5,00	5,00	
4. Reserve for capital expenditure on Irrigation works	5,00	5,00	5,00	
5. Reserve for non-recurring expenditure ...	3,50	3,50	5,52	
6. Loss on productive works to be deducted from total expenditure of the year ...	—4,47	—4,00	—6,02	
Total ...	21,36	21,83	21,84	

30. Extra-ordinary Expenditure.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	
	Rs.	Rs.	Rs.	
Extra-ordinary Expenditure ...	15,49			The actuals of 1916-17 represent the contribution of 10 lakhs by His Highness the Maharaja to the Indian War Fund and the loss on investments sold during the year.

31. Capital outlay not charged to Revenue.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	
37. RAILWAYS AND TRAMWAYS.	Rs.	Rs.	Rs.	
1. Open lines	1,55	3,00	2,11	
2. Lines under construction	20,91	27,00	13,08	
3. Stores	—3	...	2,10	
4. Bangalore Electric Tramways ...	—3	...	—98	The Car-barn and other buildings belonging to this work were sold to the Mysore University. Hence the credit to the Capital Account.
Total ...	22,40	30,00	16,31	
38. KRISHNARAJASAGARA WORKS.				
1. Dam Works	12,71	13,70	10,91	Lapse of almost the entire grant for new lines partly counterbalanced by excess under Mysore Arsikere Railway.
2. Low Level Canals	60	26	33	Outlay on sluices and land compensation less.
3. High Level Canal Survey	5	40	6	
4. Hemagiri Channel	10	17	6	
5. Mandagere Channel	58	77	52	
6. Chamaraja Right Bank Channel ...	2,84	3,10	1,63	Owing to scarcity of labour and early *Mungar* rains it was not possible to utilize the grant fully.
7. Channels for development of sugar-cane cultivation	...	1,00	...	This grant was surrendered as the estimate for the work was not sanctioned.
8. Establishment	2,87	2,20	2,54	
9. Tools and Plant	10	40	4	
10. Suspense	14	...	—10	
11. *Deduct*—Receipts on Capital Account ...	...	...	*24*	
Total	19,99	22,00	15,75	
39. CAUVERY POWER WORKS.				
(1) Capital outlay on new Installations—				
1. IV Installation	—5,35	...	—11	
2. V Installation	2,74	19	56	
(2) Capital outlay on old Installations—				
3. Sivasamudram-Kolar Section ...	2,60	4,31	3,50	Owing to the delay in the shipment of the materials ordered from America for reconstructing the low tension busses at the Kolar Gold Fields a sum of 1,56 was resigned out of the sanctioned allotment for this work.
4. Bangalore City Section*	2,10	2,37	56	
5. Bangalore Civil and Military Station Section	36	55	20	
6. Mysore City Section	86	1,50	1,12	
Total ...	3,31	8,92	5,83	*Out of an allotment of 1,00 for the new 'A' Station, at Bangalore, 90 was surrendered on account of the delay in obtaining the possession of the land on which it was to be constructed. Hence construction of the new building and the diviation of new service lines were deferred. There were also other lapses due to delay in the receipt of materials ordered.
40. INDUSTRIAL WORKS.				
1. Sandal Oil Factory, Mysore ...	2,15	...	1,70	
2. Do. Bangalore ...	98	...	13	No grant was included in the Budget.
3. Iron Works	...	20,00	37	The expected outlay was not incurred.
Total ...	3,13	20,00	2,20	
1. OTHER WORKS—KOLAR GOLD FIELDS WATER WORKS.				
1. Works	12	...	57	
2. Establishment (Transferred from Civil Works)	3	...	14	
3. Tools and plant (Transferred from Civil Works)	...	...	1	
Total ...	15	[illegible]	72	No grant was included in the Budget.
Total Capital Outlay not charged to Revenue.	48,98	80,92	40,81	

Debt Heads.

32. The transactions under Debt Heads resulted is a net inflow of cash to the extent 83,80 against the Budget anticipation of 75,24. There was thus a net improvement of 8,56

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in Debt Head transactions. This difference is the net result of large variations under the several group heads as explained below :—

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
Investment Account—				
Credit	2,74,81	48,90	1,76,36	(—6,21) The investment transactions of the year resulted in a net receipt of 28,65 as against 34,86 taken in the Budget. The surplus cash available in the latter part of the year for temporary investments was fixed with Banks and invested in Treasury Bills and all investments were not realised before the close of the year.
Debit	2,91,80	14,04	1,47,71	
Net ...	—16,99	+34,86	+28,65	
Debt—				
Credit	1	...	...	There is a small balance of the Railway loan of 1882 to be discharged. Provision was made for this in the estimate, but claims were not received.
Debit	1	25	...	
Net ...	...	—25	...	
Unfunded Debt—				
Credit	43,76	43,50	44,79	(+7,25) The improvement of 7,25 over the the estimates is mainly due to withdrawals from Savings Banks being less than anticipated, evidently on account of higher rates of interest offered under the revised Savings Banks Rules. There were also some receipts in excess of Budget anticipations from Endowments and other accounts.
Debit	40,95	35,81	29,85	
Net ...	+2,81	+7,69	+14,94	
Reserve Funds—				
Credit	40,27	41,82	42,42	(+6,20) The estimated amount to be drawn from the special reserve for non-recurring expenditure and for interest on capital expenditure was 10,80, but the amount actually drawn upon was only from the reserve for interest on Capital Expenditure which amounted to 6,02.
Debit	5,73	12,67	7,07	
Net ...	+34,54	+29,15	+35,35	
Local and other Funds—				
Credit	71,52	56,10	54,28	(+5,57) Less expenditure under Municipal and City Improvement funds and larger receipts under Local and Mysore University funds chiefly account for this improvement.
Debit	62,61	54,60	47,21	
Net ...	+8,91	+1,50	+7,07	
Deposits—				
Credit	1,33,49	1,21,96	1,46,40	(+20,45) Owing to improvement in Revenue and to savings on the grants in the Revenue Estimates, a sum of 25,31 in excess of Budget anticipations was transferred to the credit of the groups of departments. This excess was to a certain extent counterbalanced by a fall of about 4½ lakhs in the expected receipts from Civil Deposits, etc.
Debit	1,35,32	1,19,60	1,23,59	
Net ...	—1,83	+2,36	+22,81	
Advances—				
Credit	39,50	32,00	44,53	(—29,02) The net disbursements under Industrial Advances amounted to 24,72 and this was mainly due to the debit to this head of the working expenses of the Sandal Oil Factories relating to the stock of oil remaining unsold at the close of the year. There was also an outgoing of 3 lakhs under other advances.
Debit	39,60	31,70	73,25	
Net ...	—10	+30	—28,72	
Suspense—				
Credit	42	...	6,41	
Debit	25	...	4,61	
Net ...	+17	...	+1,80	
Departmental Balances—				
Credit	97	...	61	
Debit	91	...	51	
Net ...	+6	...	+10	
Carried over ...	...	...	...	

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	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation
	Rs.	Rs.	Rs.	
Brought Forward ...	...	...	...	
Loans—				
Credit	6,72	3,28	10,54	
Debit	7,23	3,65	12,43	
Net	— 51	— 37	— 1,89	
Remittances—				
Credit	103,97	..	966,81	
Debit	106,24	..	962,84	
Net	— 2,27	..	+ 3,97	
Miscellaneous—				
Credit	..	..	3,58	
Debit	26	..	3,86	
Net	— 26	..	— 28	
Total	+ 24,53	+ 75,24	+ 83,80	

33. Cash Balance.

	Accounts 1916-17	Budget 1917-18	Accounts 1917-18	Explanation	Better	Worse
CASH BALANCE.	Rs.	Rs.	Rs.			
Opening Balance	82,06	62,99	66,18	(+ 50,31)		
Closing Balance	66,18	57,46	1,10,96	Surplus	1,64	...
				Capital outlay not charged to Revenue	40,11	...
Closing balance + better, — worse than opening balance	— 15,88	— 5,53	+ 44,78	Investment Account	...	6,21
				Debt	25	...
				Unfunded debt	7,25	...
				Reserve Funds	6,20	...
				Local and other Funds	5,57	...
				Deposits	20,45	...
				Advances	...	29,02
				Suspense	1,80	...
				Departmental Balance	10	...
				Loans	...	1,52
				Remittances	3,97	...
				Obsolete Heads	...	28
				Total	87,34	37,03

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SUMMARY OF RESULTS.

34. The following summary of Budget and Account figures shows the variations between the Budget and the actuals of 1917-18 and also between the actuals of 1916-17 and 1917-18. The important items of these variations are explained in paragraphs 4 to 10.

Receipts		Heads	Disbursements	
Accounts, 1917-18 Better + Worse — than			Accounts 1917-18 Better + Worse — than	
Accounts, 1916-17	Budget, 1917-18		Accounts, 1916-17	Budget, 1917-18
1	2	3	4	5
— 1,48	+ 1,62	Land Revenue	— 30	+ 78
— 54	+ 1,90	Forest	— 1,12	+ 6
+ 3,04	+ 2,64	Excise	— 13	+ 6
— 2,68	+ 15	Miscellaneous Taxes	...	...
+ 84	+ 50	Stamps	— 8	— 1
+ 11	+ 13	Registration	— 10	+ 3
— 10,02	— 1,50	Assigned Tract Revenue	...	...
— 1,37	— 1,26	Mining Revenue	...	...
...	...	Capitalization Fund	+ 55	+ 1,45
...	...	Supervision of mines	+ 7	+ 13
+ 5,46	+ 73	Interest	— 1,23	+ 11
...	...	Sinking Fund	— 1	— 1
...	...	General Administration	— 1,63	— 89
...	...	Muzrai	— 10	+ 4
— 7	+ 2	Scientific and Miscellaneous Departments ...	— 15	+ 9
+ 2	+ 4	Pensions and allowances	+ 29	+ 14
+ 17	+ 18	Stationery and Printing	— 95	+ 34
— 93	+ 44	Miscellaneous	— 36	— 37
+ 1	— 5	Courts of Law	— 29	+ 21
+ 1	+ 8	Jails	+ 6	+ 11
— 1	...	Police	— 30	+ 1,27
+ 44	+ 46	Medical	— 76	— 12
...	...	Sanitation and Vaccination	— 12	— 16
...	...	Irrigation works charged to Revenue	— 1,16	+ 2,20
+ 32	+ 17	Civil works	+ 1,12	— 1,87
...	...	Economic Conference	— 25	+ 32
+ 49	+ 40	Education	— 2,75	+ 4,54
— 17	— 18	Agriculture	— 14	+ 68
+ 3	+ 8	Industries and Commerce	— 1,74	+ 16
...	...	Co-operative Societies	— 5	+ 9
...	...	Grants for Public Improvements	— 71	+ 2,94
— 4	— 12	Army	+ 42	+ 2,22
+ 3,05	+ 4,05	Railways	+ 28	— 77
+ 12	— 74	Krishnarajasagara works	...	...
+ 1,75	— 26	Cauvery Power Scheme	...	...
+ 17,94	+ 11,02	Sandal Oil Factory	...	...
— 30	— 52	Kolar Gold Fields water works	...	...
...	...	Special Reserve for non-recurring Expenditure ...	— 2,02	— 2,02
		Add-unspent allotments transferred to Balances at credit of Departments.	— 26,37	— 25,31
		Deduct—Expenditure met from Balances at credit of Departments and Reserve Funds.	— 1,55	+ 4,78
+ 16,19	+ 19,98	Total ...	— 38,48	— 18,34
		Capital outlay not charged to Revenue—		
		Railways and Tramways	+ 6,09	+ 13,69
		Krishnarajasagara works	+ 4,24	+ 6,25
		Cauvery power works	— 2,52	+ 3,09
		Industrial works	+ 93	+ 17,80
		Other works	— 57	— 72
		Total ...	+ 8,17	+ 40,11

35. The following statement shows in detail the excesses over the Budget grant that have occurred under each minor head and how far they have been sanctioned by Government subsequently by reappropriation of grants or additional grants and what remains yet to be sanctioned.

Major and Minor heads of account	Excess over Budget grant	Amount sanctioned or Reappropriated	Amount requiring sanction
	Rs.	Rs.	Rs.
1. Land Revenue—			
Remuneration to Shanbhogs and Patels ...	19	...	19
2. Forest—			
Establishment	2	2	...
3. Excise—			
Distillery Establishment	4	...	4
4. Stamps—			
Superintendence	2	...	2
Discount on sale of plain paper, etc. ...	1	...	1
8. Sinking Fund	1	...	1
12. General Administration—			
Staff and Household of H. H. the Maharaja.	63	...	63
Civil Secretariat	9	...	9
Reception and entertainment of Guests ...	35	...	35
14. Scientific and Miscellaneous Departments—			
Examinations	1	...	1
15. Pensions and Allowances—			
Compassionate allowances	2	...	2
Gratuities	2	...	2
17. Miscellaneous—			
Remittance charges	18	18	...
Miscellaneous	22	11	11
18. Courts of Law—			
Law Officers	2	...	2
District and Civil Courts	5	...	5
19. Jails—			
Jail Manufactures	2	2	...
20. Police—			
Criminal Investigation Deptt.	1	...	1
Railway Police	10	...	10
21. Medical—			
Superintendence	1	...	1
Hospitals and Dispensaries	12	-2	14
Medical Stores	2	...	2
Medical School	3	...	3
Sanitation and Vaccination—			
Plague charges	24	...	24
23. Irrigation works charged to Revenue—			
In charge of Civil Officers—Suspense ...	1	...	1
Establishment on account of Irrigation Cess fund works.	3	...	3
...	...		

Major and Minor heads of account	Excess over Budget grant	Amount sanctioned or Reappropriated	Amount requiring sanctioned
	Rs.	Rs.	Rs.
24. Civil Works—			
In charge of Public Works Officers			
Original works	1,53	70	83
Repairs	92	1	91
Establishment	37	...	37
25. Economic Conference—			
Education Committee	4	...	4
26. Education—			
Supervision	13	...	13
28. Industries and Commerce—			
Direction	5	...	5
Minor Industries—Capital Account ...	80	...	80
Minor Industries—Revenue Account ...	52	...	52
30. Grants for Public Improvements—			
Bangalore City Improvement ...	6	...	6
Mysore City Improvement	33	...	33
31. Army—			
Superannuation and retired allowances ...	1	...	1
Recruiting charges	65	...	65
35. Miscellaneous Railway Expenditure—			
Surveys	72	...	72
Land for guaranteed Railways ...	10	...	10
37. Railways and Tramways—			
Stores	2,10	...	2,10
38. Krishnarajasagara Works—			
Low level canals	7	7	...
Establishment	34	34	...
39. Cauvery Power Works—Capital Account—			
V Installation	37	37	...
40. Industrial Works—			
Sandal Oil Factory, Mysore	1,70	...	1,70
Do Bangalore	13	...	13
41. Other Works—Kolar Gold Fields Water Works—			
Works	57	...	57
Establishment	14	...	14
Tools and Plant	1	...	1

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AMOUNT UNDER OBJECTION.

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A. Civil.

36. The balances of the several classes of objections raised up to 30th June 1918 but remaining unadjusted on the 31st October 1918 are shown in the following statement.

	Period	Suspense		Awaiting clearance	Service payments for recovery	Total
		Receipts	Payments			
		Rs.	Rs.	Rs.	Rs.	Rs.
Bangalore	31st October 1917	350	...	2,35,969	2,952	2,39271
	31st October 1918	...	105	2,96,095	2,848	2,99,048
Kolar	31st October 1917	...	...	6,453	362	6,815
	31st October 1918	869	...	6,018	626	7,513
Tumkur	31st October 1917	...	...	2,592	562	3,154
	31st October 1918	184	...	2,094	352	2,630
Kadur	31st October 1917	...	...	4,990	102	5,092
	31st October 1918	...	...	3,312	156	3,468
Shimoga	31st October 1917	...	...	11,410	19	11,429
	31st October 1918	...	...	3,176	95	3,271
Chitaldrug	31st October 1917	...	...	1,741	49	1,790
	31st October 1918	37	...	2,984	70	3,091
Mysore	31st October 1917	363	27	29,983	789	31,162
	31st October 1918	760	23	13,782	842	15,407
Hassan	31st October 1917	...	...	3,360	175	3,535
	31st October 1918	35	...	305	317	657
Pre-audit	31st October 1917	44	...	19,319	...	19,363
	31st October 1918	2	...	18,900	...	18,902
Total	31st October 1917	757	27	3,15,817	5,010	3,21,611
	31st October 1918	1,887	128	3,46,666	5,306	3,53,987

The amounts of all classes of objections are more than in the previous year. The amount awaiting clearance is large as it includes the advances on account of pay and allowance of the officers and men of the Imperial Service Regiment and the Transport Corps paid to their families and held under objection pending receipt of bills in which the full claims are preferred. Bills have been received only up to December 1917 and the amount outstanding on this account is nearly 2½ lakhs. The small sums under suspense should not be outstanding so long. The delay in the recovery of amounts retrenched is far from satisfactory. Steps are being taken to reduce the amounts under objection.

37. The following is a statement of outstanding objections classified according to the years to which they relate :—

	Period	Relating to 1915-16 and previous years		Relating to 1916-17		Relating to 1917-18		Total	
		Number of items	Amount	Number of items	Amount	Number of items	Amount	Number of items	Amoun
			Rs.		Rs.		Rs.		Rs.
Bangalore	31st October 1917	409	35	402	204	...	...	811	239
	31st October 1918	229	15	167	68	177	215	573	298
Kolar	31st October 1917	75	2	38	5	...	...	113	7
	31st October 1918	68	1	26	1	205	6	299	8
Tumkur	31st October 1917	37	1	38	2	...	...	75	3
	31st October 1918	21	1	29	...	59	2	109	3
Kadur	31st October 1917	30	3	32	2	...	...	62	5
	31st October 1918	16	2	11	1	34	...	61	3
Shimoga	31st October 1917	25	19	23	2	...	...	48	11
	31st October 1918	10	1	8	1	76	1	94	3
Chitaldrug	31st October 1917	10	1	55	1	...	...	65	2
	31st October 1918	3	...	26	...	89	3	118	3
Mysore	31st October 1917	214	17	197	14	...	...	411	31
	31st October 1918	170	6	80	4	90	6	340	16
Hassan	31st October 1917	67	1	67	3	...	...	134	4
	31st October 1918	22	...	26	1	53	...	101	1
Pre-audit	31st October 1917	...	...	88	20	...	...	88	20
	31st October 1918	...	...	86	19	...	...	86	19
Total	31st October 1917	867	69	940	253	...	...	1,807	322
	31st October 1918	539	26	459	95	783	233	1,781	354

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There is an appreciable reduction both in the number and amount of previous years' objections. The old items that still remain under objection must be settled without further delay and active steps are being taken for their clearance.

38. The outstanding objections relating to 1915-16 and previous years are shown in the following statement.

	Up to 1911-12		1912-13		1913-14		1914-15		1915-16		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
Bangalore	24	229	17	931	11	193	35	3,673	142	10,016	229	15,047
Kolar	15	82	8	42	4	142	16	51	25	452	68	769
Tumkur	1	8	1	2	6	23	5	239	8	282	21	554
Kadur	...	...	...	...	...	...	13	1,140	3	805	16	1,945
Shimoga	...	...	...	...	...	...	2	37	8	1,695	10	1,732
Chitaldrug	...	...	...	...	...	...	1	5	2	34	3	39
Mysore	43	1,239	19	297	12	564	48	2,163	48	1,292	170	5,555
Hassan	3	28	...	...	3	18	2	6	14	166	22	217
Total	86	1,586	45	1,272	36	1945	122	7,313	250	14,742	539	25,858

As observed in para 37 *supra* there is much reduction in the number and amounts of old objections, but the items unsettled are still too many and steps are being taken for their prompt adjustment.

39. The following statement shows the objections other than the recoveries of service payments outstanding on 31st October 1918 and the departments to which they relate:—

	Land Revenue	Forest	General Administration	Muzrai	Scientific and other Miscellaneous Depts.	Miscellaneous	Courts of Law	Police	Medical	Civil Works	Economic Conference	Education	Agriculture	Industries and Commerce	Military	Sandal Oil Factory	Total
Bangalore	3	5	...	...	...	1	...	1	3	...	1	4	...	36	248	...	297
Kolar	1	1	...	...	...	...	1	...	...	...	...	...	...	...	...	...	7
Tumkur	...	1	...	...	...	...	...	...	...	...	...	1	...	...	...	...	3
Kadur	...	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3
Shimoga	...	3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3
Chitaldrug	1	...	...	...	...	...	...	...	...	...	...	1	1	...	...	...	3
Mysore	3	4	2	...	...	1	...	1	...	...	...	3	...	...	...	...	14
Hassan	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Pre-audit	...	...	...	1	...	1	...	...	...	...	1	7	6	...	...	3	19
Total	8	16	2	1	....	4	1	2	3	....	2	16	7	36	248	3	349

40. Objections outstanding on 31st October 1918 are classified as under according to their nature:—

1.	Want of proper sanction	9
2.	Want of detailed bills	268
3.	Want of vouchers and bills	57
4.	Recoveries of service payments	5
5.	Other objections	15
	Total	354

Out of the amount held under objection for want of detailed bills, 248 is on account of Military claims pending final audit on receipt of regular monthly bills. The balance of 20 and the whole of 57 under 3 should not be under objection as there can be no excuse for withholding accounts for amounts drawn and spent. The officers concerned are being urged to submit accounts without further delay.

Financial Irregularities.

41. *A second claim due to non-observance of rules for issue of Last Pay Certificates.*—In November 1917, a clerk was transferred from one Public Works office to another and the pay due to him for the period prior to his transfer was drawn both in the office from which and that to which he was transferred. The head of the office from which the clerk was transfer-

red should have issued to him a last pay certificate and not lost sight of the rule that the entire salary due to an officer for the month in which he was transferred should be drawn in the establishment to which he was transferred. The second claim was discovered in audit and the amount recovered. Officers entrusted with the responsible work of drawing and disbursing salaries of their establishments should note the rules laid down for their guidance and strictly follow them.

42. *Double Claims.*—A few instances of second payments on account of salaries and allowances were noticed in the course of audit. Claims on account of acting allowances and periodical increments are not some times promptly settled and supplemental bills for such claims, if not carefully verified with reference to previous claims, involve the risk of double payments. All obligations including the personal claims of officers require prompt settlement to save inconvenience to payees and to secure regularity in the financial transactions of Government.

43. *Retention of undisbursed pay for long periods.*—A sum of Rs. 13 drawn for a village Elementary school in the Tumkur district was refunded after keeping it for over one year. Drawers of bills of establishments should, before signing the bill for a month, invariably verify disbursements of amounts drawn in previous months and refund by short drawal any amount not required for payment. Inattention to this rule leads to abuse of funds drawn and remaining unclaimed.

44. *Payment of pension beyond the period of sanction.*—An extraordinary pension sanctioned for twelve years was disbursed for some months after it should have ceased. The mistake was discovered in audit and the excess payment was recovered from the member of the treasury staff who had overlooked the fact that the pension was sanctioned for only a limited period. Great care is required on the part of the paying treasury and the audit office in regard to pensions sanctioned for a specified number of years to guard against over-payments.

45. *Embezzlement of Government money.*—The examination of the cash book of an institution subject to outside audit showed that on 8-11-1917 the cash balance worked out in the cash book was Rs. 100-15-0, while the cash on hand was only Rs. 35-15-0. The shortage of Rs. 65 was immediately made good by the officer concerned. It was also found that even the book balance of Rs. 100-15-0 referred to above was erroneous as one and the same item of expenditure amounting to Rs. 37-0-4 had been twice charged in the cash book. This amount was also recovered subsequently from the same officer who has since been removed from service. The need for frequent verification of cash on hand with the book balance is not sufficiently realised by all officers entrusted with Government funds and it is necessary to impress it on them. Want of such verification affords scope for temporary and even permanent misappropriation.

46. *Mixing up of private with Government funds.*—During the local audit of the accounts of an institution it was found that the cash on hand was in excess of the actual balance shown in the cash book on the date of examination, and the excess was stated to be private money. The practice of mixing up private cash with Government money ought never to be permitted as it affords scope for much abuse.

47. *Utilisation of undisbursed pay and travelling allowance and departmental receipts for unauthorised expenditure.*—Amounts of undisbursed pay, and travelling allowance and departmental receipts were needlessly kept for long periods in some offices subject to outside audit instead of being either shortdrawn in the subsequent pay bills or remitted to treasury, and such amounts were also utilised for the grant of irregular advances or for other expenditure. The fundamental rules that all departmental receipts should without reservation be remitted to the treasury and that undisbursed amounts of pay and travelling allowance should after the prescribed period be credited to Government by shortdrawal in subsequent pay bills or in cash should be strictly followed by all offices. Inattention to these rules is the cause of many irregularities which often remain undetected for long periods.

48. *Drawing funds from the treasury before they are required for expenditure.*—In course of local audit, it was noticed that the full amount of a budget allotment for the purchase of stores in one institution was drawn on the 30th of June 1917, and the money was kept on hand for nearly four months and then spent. In another institution it was found that the full amount provided in the budget was drawn and spent in small amounts in subsequent months. The drawing of funds from the treasury before they are required for actual expenditure either with a view to prevent budget grants lapsing or for other causes should not be permitted.

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49. *Unsatisfactory condition of stock accounts.*—The stock accounts of some offices subject to outside audit disclosed the following defects:—

(i) Omission to take stock of stores periodically.

(ii) Omission to post receipts and issues of articles.

(iii) Omission to obtain and preserve acknowledgments of parties for articles issued to them.

(iv) Write-off of articles without the orders of competent authority.

(v) Omission to take action for adjustment of differences between the actual and book balances disclosed by stock-taking.

It is necessary to impress on all officers dealing with Government stores the importance of keeping their stock accounts always complete and up-to-date and of periodically verifying the book balances with the articles actually in stock, and of taking necessary action to trace out the causes of the differences between them and promptly adjust such differences.

50. *Omission or delay in recovering Government dues.*—It was observed in some cases that either no action was taken by the officers concerned or there was considerable delay in the recovery of (1) dues from contractors holding leases, and (ii) of cost of articles supplied by the manufacturing departments. Proper demand registers should be kept and frequently consulted to ensure prompt recovery of Government dues.

B. Public Works.

51. The following is the abstract of objections outstanding unadjusted on 1st October 1917. The irregularities have all been brought to the notice of Government.

	Major head	Period	Want of estimate		Excess over estimate		Want of appropriation		Excess ovrr appropriation	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount
				Rs.		Rs.		Rs.		
State Funds	Irrigation Works including K. R. S. Works.	On 1-10-17	36	1,329	8	882	18	30	3	3
		On 1-10-18	55	1,548	12	1,713	8	21	8	7
	Civil Works	On 1-10-17	51	303	33	102	75	197	35	112
		On 1-10-18	46	199	38	121	86	113	30	83
	Military Works	On 1-10-17	...	...	2	5	1	2	3	6
		On 1-10-18	...	...	...	...	..	...	...	...
Village School Fund	Civil Works	On 1-10-17	...	...	1	1	3	4	...	...
		On 1-10-18	2	2	....	...	...	...	...	...
Local Funds General	Do	On 1-10-17	1	6	5	25	2	13	1	6
		On 1-10-18	...	...	...	...	...	...	...	...
District Funds	Do	On 1-10-17	4	3	5	13	7	12	5	12
		On 1-10-18	11	65	5	8	1	11	3	8
Irrigation Cess Fund	Irrigation Works	On 1-10-17	8	8	5	7	14	17	5	8
		On 1-10-18	9	9	3	4	7	8	1	...
Contribution Works	Irrigation and Civil Works	On 1-10-17	22	44	...	...	4	4	6	5
		On 1-10-18	21	48	1	4	....	...	...	...
Palace Funds		On 1-10-17	....	...	...	...	...	...	...	...
		On 1-10-18	1	1	1	1	...	...	...	...
Mysore University Fund		On 1-10-17	....	...	...	...	...	...	...	...
		On 1-10-18	1	1	...	...	...	...	...	...
	Total	On 1-10-17	122	1,693	59	1,036	124	279	58	152
		On 1-10-18	146	1,864	60	1,851	52	153	41	103

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51. As compared with the previous year there was a very large increase in the outlay incurred in excess of sanctioned estimates. Both the number of items and the amount under objection for want of sanctioned estimates were also larger than in last year. Expenditure without estimates continues to be as freely incurred as before. It is necessary to invite special attention to this irregularity with a view to its being effectively remedied. Other irregularities like outlay without appropriation are often due to the initial irregularity of incurring expenditure without sanction and without properly prepared detailed estimates which alone can guide the executive. It is absolutely necessary to insist on no expenditure being incurred without sanction and detailed estimates, and unless this fundamental rule of the department is implicity followed by the executive and unless its observance is enforced by the sanctioning authorities, it is not possible to exercise the control which is so necessary in the case of a large spending department like the Public Works.

52. There was some reduction in the number and amount of outlay under objection on account of want of appropriation and of excess over appropriation, but the number of items and amount under objection are still large. Substantial reduction in them is necessary before the operations of the department can be considered as being subject to the necessary financial control.

Financial Irregularities.

53. *Omission to recover supervision charges.*—Supervision charges on the value of Government materials issued to contractors and others are not regularly recovered in some cases. The amount thus left unrecovered amounted to Rs. 916 in one division. Divisional officers should not allow such laxity in regard to the recovery of dues to Government.

54. *Recovery of rents of buildings at lower than authorised rates.*—Rents due from officers for occupation of rented buildings are sometimes recovered at rates lower than that laid down in rules. It is necessary to impress upon executive engineers that recovery at reduced rates should not be allowed without obtaining previous competent sanction.

55. *Stock not verified.*—Reports of counting of stock articles and tools and plant were not received from some divisions. The importance of paying as much attention to store accounts as to cash accounts and of verifying stock as carefully as counting cash does not seem to be sufficiently realised by some officers entrusted with the custody and accounting of Government stores and it is necessary to impress it upon them.

56. *Cauvery Power Scheme.*—The subjoined statement shows the balances of the several classes of objections raised up to 30th June 1918 but remaining unadjusted on 1st October 1918:—

Cauvery Power Scheme	Period	Want of Estimate		Excess over Estimate		Want of appropriation		Excess over appropriation		Miscellaneous	
		No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount
Capital Works	On 1-10-17	...	...	2	20	...	...	2	85	...	...
	On 1-10-18	1	2	3	9	2	2	1	10	...	...
Maintenance Works	On 1-10-17	...	...	...	...	...	...	1	13	...	...
	On 1-10-18	...	...	...	...	...	...	11	18	...	...
Depreciation Fund Works	On 1-10-17	...	...	1	2	...	...	10	20	...	...
	On 1-10-18	...	...	...	...	...	...	4	1	...	...
Contribution Works	On 1-10-17	17	16	...	...	...	...	1	...	...	...
	On 1-10-18	...	...	...	...	...	...	...	...	...	...
Miscellaneous	On 1-10-17	...	...	...	...	...	...	...	...	...	...
	On 1-10-18	...	...	...	...	...	...	...	...	147	131
										53	301
Total	On 1-10-17	17	16	3	22	...	...	17	118	147	131
	On 1-10-18	1	2	3	9	2	2	12	29	53	301

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The number of items under objection for want of sanctioned estimates and on account of excess over estimates and appropriation has been substantially reduced. The items still under objection are few and the amounts involved are not also large. The department should aim at having no such objectionable items on its books at all. The amount under miscellaneous irregularities is larger than in previous years and its prompt reduction is necessary.

Financial Irregularities.

57. *Stock not verified.*—Report of verification of stock and tools and plant of Bangalore Power and Lighting and of stock of Mysore Power and Lighting as on 30th June 1918 has not yet been received. This department deals in large quantities of costly materials and periodical stock verification must be considered as one of its chief duties.

D. Railways.

58. The balances of the several classes of objections raised up to 30th June 1918, and remaining unadjusted on 31st October 1918 are shown in the following statement :—

Railways	Period	Want of Estimate		Excess over Estimate		Want of Appropriation		Excess over Appropriation		Miscellaneous	
		No. of Items	Amount	No. of Items	Amount	No. of Items	Amount	No. of Items	Amount	No. of Items	Amount
			Rs.		Rs.		Rs.		Rs.		Rs.
1. Revenue ...	31-10-18 ...	...	...	...	...	...	...	3	65	22	14
CAPITAL											
2. Mysore-Arsikere Railway, I Dn.	31-10-17 ...	44	145	29	94	...	...	2	30	36	4
	31-10-18 ...	56	57	38	456	P	P	P	P	17	4
3. Mysore-Arsikere Railway, II Dn.	31-10-17 ...	27	77	18	83	...	...	4	75	49	2
	31-10-18 ...	66	52	26	186	P	P	P	P	38	8
4. Railway Stores ...	31-10-17 ...	...	...	...	...	...	...	...	...	80	132
	31-10-18 ...	...	...	...	...	...	...	...	...	201	383
5. Loco and Car Department ...	31-10-17 ...	...	...	...	...	...	...	...	...	38	...
	31-10-18 ...	...	...	...	...	...	...	...	...	...	...
6. Surveys	31-10-17 ...	...	...	3	39	...	...	2	20	...	...
	31-10-18 ...	3	1	8	30	1	...	7	18	...	...
7. Kolar District Railways ...	31-10-17 ...	91	57	33	169	...	...	1	93	29	3
	31-10-18 ...	104	78	12	175	...	...	4	72	34	6
8. Bangalore-Chikballapur Light Railway.	31-40-17 ...	83	74	34	121	3	29	3	33	9	124
	31-10-18 ...	110	80	21	90	...	...	4	6	11	66
9. Tarikere-Narasimarajpur Tramway.	31-10-17 ...	44	9	13	17	1	...	3	2	22	1
	31-10-18 ...	45	11	10	1	...	...	1	3	41	3
10. Chitaldrug-Chickjajur Railway	31-10-17 ...	...	...	...	...	...	...	...	...	...	...
	31-10-18 ...	25	16	...	...	3	6	2	4	...	...
11. Tadasa-Hebbe Tramway ...	31-10-17 ...	...	...	...	...	...	...	...	...	...	...
	31-10-18 ...	4	2	...	...	...	...	...	...	...	...
12. Kemmangundi-Benkipur Tramway.	31-10-17 ...	...	...	...	...	...	...	...	...	...	...
	31-10-18 ...	...	...	...	...	...	...	...	...	...	...
13. Agasanahadlu-Benkipur Tramway.	31-10-17 ...	...	...	...	...	...	...	...	...	...	...
	31-10-18 ...	1	...	...	...	...	...	...	...	...	...
Total	31-10-17 ...	289	361	130	523	4	29	15	253	260	273
	31-10-18 ...	414	297	126	938	*	*	*	*	364	284

Totals not made as Mysore-Arsikere Railway figures cannot be included.

P. Appropriation by main and sub-heads not sanctioned within the year.

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59. The number of items under objection for want of sanctioned estimates increased from 289 to 414 while the outlay incurred in excess of sanctioned estimates increased by over 4 lakhs. The total grant for Mysore-Arsikere Railway was not distributed in the year among the main and sub-heads of the work in progress in the two divisions and no audit with reference to appropriations was therefore possible in regard to this railway. The excess over appropriation under Revenue expenditure is an account of the Kolar District and Bangalore-Chikballapur Railways and the Tarikere-Narasimharajapura Tramway. The authorization rolls were for larger amounts than the grants sanctioned in the general budget estimates and the excess over the latter has been noted in the above statement. Miscellaneous irregularities continued to be as numerous as before. Greater adherence to rules regarding estimates and appropriations is necessary. A large part of the expenditure of this department is on account of capital and any outlay in excess of estimate or without estimate may adversely affect the productive character of the projects; and expenditure without competent sanction should not therefore be viewed as an ordinary irregularity. The absolute necessity to adhere to sanctioned estimates and appropriations allowed cannot be too strongly impressed on the officers of this department.

Financial Irregularities.

60. *Misuse of rent-free quarters.*—In one instance, it was noticed that quarters which were held in the name of a railway employee entitled to rent-free quarters were occupied by an outsider without payment of rent for six months. When the irregularity was pointed out, the stranger was required to vacate the quarters and pay rent for the period during which he had occupied them.

61. *Unauthorised use of a goods shed for storing private goods.*—Goods intended for export were, on account of restrictions on booking, allowed to be stored in the goods shed of a station for some time but without the collection of the wharfage due under the rules and the amount involved was about Rs. 200. When the matter was reported to the authority concerned, recovery of the wharfage was then ordered.

62. *Overpayment due to incomplete accounts.*—An Executive Engineer paid a bill of a contractor in October 1917 without taking into account the payment of Rs. 600 made to him in July 1917 on account of arrears. The overpayment was noticed by the Audit office and recovery enforced in the next bill. The mistake was due to the Register of Works not being posted up-to-date and to previous bills not being referred to when passing the next bill.

Objection on Travelling Allowance Bills.

63. *Double claims.*—Travelling allowances amounting to Rs. 120 due to tank inspectors of a district were drawn twice, once in May 1917 and again in December 1917.

The travelling allowance of a Forest range establishment for July and August 1916 amounting to Rs. 16-8-0 was twice drawn, once in June 1917 and again in December 1917.

The second claims in the above cases were discovered in audit and the amounts recovered.

The travelling allowance of the establishment of a Government factory was twice claimed. This was a case of pre-audit and the second claim was accordingly disallowed before payment.

A case of second claim of travelling allowance in the Railway Department was also noticed, the first claim being made in the original and the second in a supplemental bill.

The drawers and countersigning officers of travelling allowance bills should keep registers of bills passed and cashed and unless such a record is kept and consulted when claims, especially old claims are preferred, the risk of double payments cannot be avoided.

The Economic Superintendent of a district cashed his travelling allowance bill for September 1917 at a treasury on 2nd December 1917 and again cashed a duplicate of the same bill on 2nd January 1918 at the same treasury. He stated that the second claim was due to oversight, which is not an acceptable excuse for preferring a second claim.

64. *Delay in giving effect to a retrenchment order.*—A sum of Rs. 24 was retrenched from the travelling allowance bill of an Assistant Commissioner in September 1917 and the treasury was asked to recover the amount from the next travelling allowance bill of the officer. The treasury passed on the retrenchment order to the officer whose allowance was retrenched and cashed his next bill in full without giving effect to the order. The respon-

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sibility of the treasury in carrying out retrenchment orders of the Audit Office had to be pointed out to it and the recovery of the disallowed amount enforced after unnecessary correspondence and delay. The duty of treasury officers to give effect to the rule in Article 24 in the Mysore Account Code cannot be too strongly impressed upon them.

65. *Insufficient scrutiny of bills.*—Many instances of wrong distances, of wrong rates of daily allowances and milages and of inattention to rules governing travelling allowance claims were noticed in audit. There were also bills for old claims which though requiring the sanction of the Audit Office were cashed at treasuries. Greater attention to rules and rates and verification of distances for which mileages are claimed are necessary to prevent unnecessary work to all the offices concerned and to save the officers retrenched the inconvenience of having to refund excess claims made on their behalf and disallowed in audit.

66. *Delay in drawing travelling allowance.*—Numerous instances of belated claims were also noticed. The importance of discharging personal claims as quickly as possible is insufficiently realised by some officers. Delay in the settlement of travelling allowance claims occasions considerable inconvenience to touring officers who are kept waiting for reimbursement of amounts already spent by them. The receipt of a large number of bills for old claims also causes much inconvenience to the Audit Office. It is necessary to insist upon the settlement of these claims as soon as the month to which they relate closes and the recent orders of Government directing that travelling allowances of both the head of the office and of his establishment should be drawn in one and the same bill will, I think, ensure prompt payment of allowances due to members of establishments.

Rush of Expenditure.

67. The subjoined statement shows the outlay on works—amounts of Pass Orders and of payments arranged for through the Comptroller—in the several Public and Maramat offices in the first eleven months and in the last month of the year under report. The offices of the Railway and Electrical departments are not included in the statement as there is no noticeably large expenditure in them in the last month of the year. The outlay in the last month of the year was larger than the previous monthly average in most of the Public Works divisions and in all the Maramat offices. How much of the heavy outlay in the last month was due to the desire to rush expenditure in order to use up grants, it is not possible to say. Some part of the outlay incurred in the last month may perhaps be attributed to more or less legitimate causes, such as the urgency of certain works, delay in the commencement of works owing to the late sanction of estimates. But the comparatively large amount of orders drawn on the last three days of June which is very noticeable in most of the Public Works divisions and in all the Maramat offices except that of the Chief Commandant is an unmistakable proof of the anxiety of departmental officers to work out grants. When the work of verifying and admitting claims for such large amounts is crowded into the short period of three days, it is not possible to conform to all the rules prescribed for securing financial regularity. It is necessary to impress upon the officers concerned the need for avoiding rush of expenditure in the last month and in the last few days of the last month, which cannot but involve the risk of infringement of rules which experience has shown to be essential for safeguarding economy.

Public Works Divisions.

Divisions	Average expenditure per month for 1st 11 months for 17-18	Expenditure during June 18	Amount of Pass Orders issued during last 3 days of June 18	Total expenditure for the year	Percentage of		Remarks
					3 on 5	4 on 3	
1	2	3	4	5			
	Rs.	Rs.	Rs.	Rs.			
Bangalore Division ...	36,205	95,116	24,519	4,93,371	19·25	25·83	
Mysore ...	41,880	1,26,897	44,840	5,87,575	21·59	35·33	
Head Quarter Range ...	32,465	52,323	26,083	4,09,438	12·75	49·91	
Water Supply Division ...	40,661	1,17,499	18,493	5,64,773	20·80	15·73	
Sanitary ...	3,005	9,305	8,060	42,365	21·96	86·62	
Shimoga Division ...	18,941	64,816	34,043	2,73,162	23·73	52·52	
Kolar ...	13,177	49,563	32,020	1,94,512	25·48	64·62	
Hassan ...	11,928	48,826	25,352	1,80,034	27·12	51·90	
Chitaldrug ...	5,821	21,648	15,110	85,684	25·26	69·79	

PUBLIC WORKS DIVISIONS—*concld.*

Divisions	Average expenditure per month for 1st 11 months for 17-18	Expenditure during June 18	Amount of Pass Orders issued during last 3 days of June 18	Total expenditure for the year	Percentage of		Remarks
					3 on 5	4 on 3	
1	2	3	4	5			
	Rs.	Rs.	Rs.	Rs.			
Tumkur	11,048	46,593	20,163	1,68,116	27·74	43·32	
Kadur	15,997	41,738	29,171	47,705	19·11	69·99	
Irrigation	2,852	8,824	4,838	40,196	22·01	54·99	
Krishnaraja Sagara Works ...	81,707	1,09,914	32,729	10,08,687	10·91	29·8	
No. III Division	749	347	...	8,951	4·04	...	
No. IV Division	4,567	12,231	8,938	62,474	19·62	73·07	
No. V Division	15,433	44,417	16,958	2,14,181	20·74	39·9	
MARAHMAT OFFICES.							
	Rs.	Rs.	Rs.	Rs.			
Bangalore District ...	598	3,930	2,152	10,514	37·37	54·75	
Kolar ,, ...	1,138	20,075	15,243	32,569	64·7	75·9	
Tumkur ,, ...	950	11,229	6,601	21,684	51·78	58·78	
Chitaldrug ,, ...	561	4,878	3,847	11,057	44·1	78·8	
Shimoga ,, ...	593	8,182	5,099	14,704	55·64	62·27	
Kadur ,, ...	1,653	8,034	6,604	26,214	30·65	82·20	
Hassan ,, ...	2,289	12,725	5,135	37,902	33·57	40·35	
Mysore ,, ...	755	12,981	8,146	21,287	60·9	62·7	
Chief Commandant ...	1,052	8,275	170	19,850	41·68	2·05	
Inspector-General of Police ...	174	5,388	4,902	7,320	73·7	90·9	

REFORM IN THE ORGANISATION AND WORK OF THE ACCOUNT DEPARTMENT.

68. *Revision of the system of Forest Accounts.*—The accounts of the Forest department were being compiled and rendered in accordance with the rules and procedure laid down in the Mysore Forest Code slightly modified by the Government Order of 20th May 1915 in regard to preparation of classified abstracts in District Forest offices. It was found that the procedure required improvement to render maintenance of accounts by the District Offices more methodical, the submission of accounts more prompt and their audit more effective.

Government ordered the revision of the system of Forest Accounts with effect from 1st July 1918. The chief features of the new system are:—

(1) All salaries, establishment, travelling allowances and contingent bills of the Forest Department are presented for payment at treasuries and payments by disbursing officers of the Forest Department on any of these accounts from sums drawn by cheques against letters of credit were stopped. The District Range and other officers were allowed permanent advances for meeting petty and emergent contingent expenditure.

(2) The Range officers and their subordinates were required to account for advances drawn for payments for conservancy and other works before issuing fresh cheques in their favour and the maximum of advances ordinarily allowable to subordinate disbursers was restricted to the amounts of their respective security deposits. It was also ordered that attempts should be made to substitute wherever possible the agency of contractors for departmental agency for the execution of works.

(3) The procedure in regard to the watch over revenue outstandings was revised.

(4) The arrangement for accounting for disallowances in audit and advances to contractors and subordinates, for works was altered to render the control over them more effective.

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(5) The form of vendors' commission bills and accounts was revised.

(6) Measurement books and progress reports were required to be systematically kept.

(7) Periodical verification and submission of returns of stocks and tools and plant balances as in the Public works department was insisted on.

(8) Maintenance of proper accounts for deposits in the Forest offices, Treasuries and the Audit office was prescribed.

(9) Periodical local audit of the Forest accounts by officers of the Account department was introduced.

69. *Revision of the system of the Geological and Mining departmental accounts.*—The accounts of the Geological and Mining department were examined by Mr. Datta and in accordance with his suggestions a revised system of accounts procedure was prescribed during the year for the department. Under the revised procedure—

(*a*) No cash is to be received in the Director's office, the parties being required to pay the amounts due directly to the Treasury and to forward the Treasury receipts to the Geological office for issue of leases or licenses applied for.

(*b*) A register of demand, collection and balance relating to the different classes of licenses and leases showing clearly the dues to Government from time to time should be maintained.

(*c*) Duplication of work between the Account and Gelogical offices with respect to the record of the collections relating to gold mines is avoided, the necessary registers being maintained in the Account office alone, and a periodical statement being furnished to the Director of Geology by the Account office for departmental purposes and for exercising proper control over such revenue.

(*d*) The accounts of the Geological department were now subject to local audit by the Audit office once a year.

70. *Reorganization of the Comptroller's office.*—The reorganization of the Audit and Account department was sanctioned during the year under report.

Bangalore,
Dated 20th March 1919.

M. N. KRISHNA RAU.